which such an international application claims benefit or priority. The reference may be applied under 35 U.S.C. 102(a) or (b) as of its publication date, or 35 U.S.C. 102(e) as of any later U.S. filing date of an application that properly claimed the benefit of the international application (if applicable).

(C) If the international application has an international filing date prior to November 29, 2000, apply the reference under the provisions of 35 U.S.C. 102 and 374, prior to the AIPA amendments:

(1) For U.S. patents, apply the reference under 35 U.S.C. 102(e) as of the earlier of the date of completion of the requirements of 35 U.S.C. 371(c)(1), (2) and (4) or the filing date of the later-filed U.S. application that claimed the benefit of the international application;

(2) For U.S. application publications and WIPO publications directly resulting from international applications under PCT Article 21(2), never apply these references under 35 U.S.C. 102(e). These references may be applied as of their publication dates under 35 U.S.C. 102(a) or (b);

(3) For U.S. application publications of applications that claim the benefit under 35 U.S.C. 120 or 365(c) of an international application filed prior to November 29, 2000, apply the reference under 35 U.S.C. 102(e) as of the actual filing date of the later-filed U.S. application that claimed the benefit of the international application.

Examiners should be aware that although a publication of, or a U.S. patent issued from, an international application may not have a 35 U.S.C. 102(e) date at all, or may have a 35 U.S.C. 102(e) date that is after the effective filing date of the application being examined (so it is not "prior art"), the corresponding WIPO publication of an international application may have an earlier 35 U.S.C. 102(a) or (b) date.

III. PRIORITY FROM PROVISIONAL APPLICATION UNDER 35 U.S.C. 119(e)

The 35 U.S.C. 102(e) critical reference date of a U.S. patent or U.S. application publications and certain international application publications entitled to the benefit of the filing date of a provisional application under 35 U.S.C. 119(e) is the filing date of the provisional application with certain exceptions >if the provisional application(s) properly supports the subject matter relied upon to make the rejection in com-

pliance with 35 U.S.C. 112, first paragraph<. See MPEP § 706.02(f)(1), examples 5 to 9. Note that international applications which (1) were filed prior to November 29, 2000, or (2) did not designate the U.S., or (3) were not published in English under PCT Article 21(2) by WIPO, may not be used to reach back (bridge) to an earlier filing date through a priority or benefit claim for prior art purposes under 35 U.S.C. 102(e).

IV. PARENT'S FILING DATE WHEN REFERENCE IS A CONTINUATION-IN-PART OF THE PARENT

Filing Date of U.S. Parent Application Can Only Be Used as the 35 U.S.C. 102(e) Date If It Supports the Claims of the Issued Child

In order to carry back the 35 U.S.C. 102(e) critical date of the U.S. patent reference to the filing date of a parent application, the **>U.S. patent reference< must * have a right of priority to the earlier date under 35 U.S.C. 120 or 365(c) and *>the parent application must< support the invention claimed as required by 35 U.S.C. 112, first paragraph. "For if a patent could not theoretically have issued the day the application was filed, it is not entitled to be used against another as 'secret prior art' " under 35 U.S.C. 102(e). *In re Wertheim*, 646 F.2d 527, 537, 209 USPQ 554, 564 (CCPA 1981) (The examiner made a 35 U.S.C. 103 rejection over a U.S. patent to Pfluger. The Pfluger patent (Pfluger IV) was the child of a string of abandoned parent applications (Pfluger I, the first application, Pfluger II and III, both CIPs). Pfluger IV was a continuation of Pfluger III. The court characterized the contents of the applications as follows: Pfluger I - subject matter A, II-AB, III-ABC, IV-ABC. ABC anticipated the claims of the examined application, but the filing date of III was later than the application filing date. So the examiner reached back to "A" in Pfluger I and combined this disclosure with another reference to establish obviousness. The court held that the examiner impermissibly carried over "A" and should have instead determined which of the parent applications contained the subject matter which made Pfluger patentable. Only if B and C were not claimed, or at least not critical to the patentability of Pfluger IV, could the filing date of Pfluger I be used. The court reversed the rejection based on a determination

PROVISIONAL APPLICATION FOR PATENT COVER SHEET

This is a request for filing a PROVISIONAL APPLICATION FOR PATENT under 37 CFR 1.53 (c).

INVENTOR(S)

Given Name (first and middle [if any])	Family Name or Surname	Residence (City and either State or Foreign Country)
Larry	Wolf	Ventura, California
Todd	White	Ventura, California

Additional inventors are being named on the ___ separately numbered sheets attached hereto

TITLE OF THE INVENTION (280 characters max)

Placement of Advertisements on Back of Employee Pay Stubs

CORRESPONDENCE ADDRESS

Direct all correspondence to:
- Customer Number
- OR
- Firm or Individual Name: Fred C. Hernandez, Arter & Hadden LLP
- Address: 5 Park Plaza, Ste. 1000
- City: Irvine State: CA ZIP: 92614-8528
- Country: USA Telephone: (949) 252-7500 Fax: (949) 553-0604

ENCLOSED APPLICATION PARTS (check all that apply)

- [X] Specification Number of Pages: 10
- [X] Small Entity Statement
- [X] Drawing(s) Number of Sheets: 10 claims
- [X] Other (specify)

METHOD OF PAYMENT OF FILING FEES FOR THIS PROVISIONAL APPLICATION FOR PATENT (check one)

- [X] A check or money order is enclosed to cover the filing fee.
- [X] The Commissioner is hereby authorized to charge filing fees and credit any overpayment to Deposit Account Number: 50-0787

FILING FEE AMOUNT ($): $75.00

SIGNATURE: Fred C. Hernandez Date: 2/10/00
TYPED or PRINTED NAME: Fred C. Hernandez
REGISTRATION NO.: 41,552 Docket Number: 7289000275A
TELEPHONE: (949) 252-7500

USE ONLY FOR FILING A PROVISIONAL APPLICATION FOR PATENT

ARTER & HADDEN
ATTORNEYS AT LAW

February 10, 2000

VIA EXPRESS MAIL // Label No. EL590609604US

BOX PROVISIONAL APPLICATION
Assistant Commissioner for Patents
Washington, D.C. 20231

Re: U.S. Provisional Patent Application for
"PLACEMENT OF ADVERTISEMENTS ON BACK OF EMPLOYEE PAY STUBS"
Inventors: Larry Wolf and Todd White
Attorney Docket No.: 7289000275A

Dear Sir:

Enclosed herewith are the following documents related to the above identified invention:

1. Specification and claims (10) 10 pages
2. Provisional Application Cover Sheet 1 page
3. Check in the amount of $75.00 in payment of the provisional application filing fee
4. Small Entity Declaration 1 page
5. Assignment, Assignment Recordation Cover Sheet, Statement of Ownership 4 pages
6. Check in the amount of $40.00 in payment of the assignment recordation fee
7. A return receipt courtesy postcard

ARTER & HADDEN

Box Provisional Application
Assistant Commissioner for Patents
February 10, 2000
Page 2

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Fred C. Hernandez
Reg. No. 41,832

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Signature _____
Date of Deposit: February 10, 2000.

Fred C. Hernandez
Typed or Printed Name of Person Signing Certificate

STATEMENT CLAIMING SMALL ENTITY STATUS
(37 CFR 1.9(f) & 1.27(c))—SMALL BUSINESS CONCERN

Docket Number (Optional)
72690/00275A

Applicant, Patentee, or Identifier: Larry Wolf and Todd White
Application or Patent No.:
Patent Issued:
Title: Placement of Advertisements on Back of Employee Pay Stubs

I hereby state that I am
☐ the owner of the small business concern identified below;
☒ an official of the small business concern empowered to act on behalf of the concern identified below.

NAME OF SMALL BUSINESS CONCERN: AXCheck, Inc.

ADDRESS OF SMALL BUSINESS CONCERN: 2225 Sperry Avenue, Ste. 1050
Ventura, CA 93003

NAME OF PERSON SIGNING:
TITLE OF PERSON IF OTHER THAN OWNER: Co-CEO
ADDRESS OF PERSON SIGNING: 2225 Sperry Avenue, Ste. 1050, Ventura, CA 93003
SIGNATURE:
DATE: 2/1/00

APPLICATION FOR
UNITED STATES PATENT
IN THE NAME OF

Larry Wolf and Todd White

ASSIGNORS TO

AdChek, Inc.

FOR

PLACEMENT OF ADVERTISEMENTS ON
BACK OF EMPLOYEE PAY STUBS

Prepared by Steven G. Saxibott, Esq.
and Fred C. Hernandez, Esq.]
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DOCKET NO. 72800027/3A

Express Mail No. EL990096019

PLACEMENT OF ADVERTISEMENTS ON
BACK OF EMPLOYEE PAY STUBS

NOTICE OF COPYRIGHTS AND TRADE DRESS

A portion of the disclosure of this patent document contains material, which is
subject to copyright protection. This patent document may show and/or describe
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owner has no objection to the facsimile reproduction by any one of the patent
disclosure, as it appears in the Patent and Trademark Office patent files or records, but
otherwise reserves all copyright and trade dress rights whatsoever.

DESCRIPTION OF THE INVENTION

Throughout this description, the preferred embodiment and examples shown
should be considered as exemplary, rather than limitations on the apparatus and
methods of the present invention.

AdChek provides cost effective advertising for local, national and international
companies by printing quality advertisements on the back of Employee Pay Stubs, the
portion of their paycheck or direct deposit which they tear off and keep. To the best of
our knowledge, this is currently not being done by any other company in the U.S.

The process works like this. XYZ Staffing Company prints 4 million checks
annually and agrees to allow AdChek to sell ad space on the Employee Pay Stub portion
of the check. In return, XYZ will receive free checks for as long as they use AdChek.
This will save the company approximately $80,000 ($0.02 per check) per year in check
costs alone. In addition, they will receive an additional $0.01 to $0.03 from our
"revenue sharing" program, depending on the length of the agreement they sign with
AdChek. Using $0.02, this would generate an additional savings of $80,000 per year for
the staffing company, totaling a direct increase in their bottom line of $160,000 per year
in this example.

znozorma

AdClick then sells the space to advertisers on a "cost per thousand" basis. The projections in the Financial Section are based on a sub format that is approximately 3 1/4 x 8 1/4 inches, allowing the average revenue per check of $0.10. (Many companies use a sub format that is 7 x 8 1/4, allowing AdClick to double the advertising revenue generated per check to $0.20.) AdClick then has ABC Printing Company print the checks at a cost to AdClick of $124,000 or $0.03 per check.

Highlights

According to our research, no other company is currently using the space available on the back of payroll check stubs to place advertisements, and therefore no other company currently has the ability to reach millions of working Americans week after week directly on their paycheck.

Internet companies are aggressively seeking ways to reach new users. AdClick has its own weekly audience and the ability to drive consumers to its web site.

AdClick offers advertisers a low cost effective medium to achieve a balance between broad reach and frequency.

AdClick offers check producers a hassle-free method of saving thousands of dollars in check printing costs.

AdClick is able to operate with low overhead costs.

AdClick combines advertising with the business forms printing industry, both of which have shown strong growth and are expected to maintain double-digit growth well into the next century.

Service Description

AdClick is a unique and innovative channel for advertising products and services to millions of individuals nationwide. This is a new, untapped gateway to

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reach millions of consumers. No other company is currently offering this form of advertising, or has the potential to reach millions of employee/consumers, week after week and driving them to a web site.

AdClick has pending agreements with Payroll Service Companies offering free payroll check stock in exchange for printing quality advertisements on the back of the employee's pay stub.

A survey done by AdClick showed that 83% of employees review their pay stub closely and retained it for up to one year for tax purposes. In addition, more than one individual in a household will be exposed to the ad because of family members handling a paycheck. This creates "pass-a-long" exposure for the advertiser.

Frequency is an important factor in achieving advertising success. "Marketing Guru" Jay Conrad Levinson, author of Guerilla Marketing says a consumer has to be exposed to an ad 27 times before it has the desired effect. In addition, advertising research shows that an exposure to an ad is most likely to influence a purchase if the exposure is near the point of action (or near the point of purchase).

Advertising on the back of employee pay stubs influence employee spending habits because they are seen frequently, the consumer is very attentive to the medium, and they are near the point of action when the consumer has "money in hand."

Through AdClick an advertisement is seen an average of 7-10 times in a three-month advertising contract period. Data collected from Payroll Service Companies indicates that employees receive on average three paychecks per month (twice a month, every two weeks, or weekly.)

AdClick is unique because it is less costly than direct mail, when you consider postage, mailing list rental, and production of materials; and more impacting than magazine ads, because it is personal, more likely to be seen, and is in less competition with other ads.

AdClick is a new medium for advertisers, which can reinforce a brand identity

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or introduce new products and services. Some of the industries identified as potential advertisers include:

- E-Commerce Business and Web Sites
- Fast Food Chains / Restaurants
- Magazines
- Phone Service Companies
- Entertainment & Amusement Companies
- Electronics Retailer
- Credit Card Companies
- Travel & Resort Companies
- Large Retail Chains
- Confectionary Snack Food Companies
- World-Wide News Organizations

LiquidVillage.com

Several exciting opportunities exist for AdClick on the Internet. As the company grows, more and more employees/consumers will be receiving checks from the AdClick program. There are two distinct possibilities this creates. First, using the space available on the check stub, AdClick can print a message instructing the employee/consumer to visit LiquidVillage.com, the first "PayDay Portal" on the Internet. This site will contain information, resources, games, and contests, and be geared toward our target market, middle-income Americans. There will also be areas for employees to get job tools, a job board, links to resources, programs and software downloads. Strategic alliances will be sought with major Internet players such as HomeGrocer.com, eTrade.com or hrblock.com, Amazon.com, Monster.com, and other related sites that would benefit middle-class workers. It will be designed as a "sticky" site, with robust database collecting ability, to gather demographic data from visitors, and

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provide feedback to advertisers via "click through".

Pricing Strategy

Pricing is based on the number of impressions, ad size and location (on the pay stub). Prices were established based on comparable costs for other advertising mediums such as magazines and direct mail. Pricing used in forecasting sales projections are considered to be conservative, however actual revenue per unit may be higher or lower, as the market will dictate the final pricing structure.

Minimum ad prices are calculated based on preliminary costs for AdClick to print 4-color process checks. Base costs to the Company range from 2-4 cents per unit. A check that costs AdClick 3 cents may carry 4 ads which cost each advertiser 4 cents for a total of 16 cents in revenue per unit. A contract involving 10,000,000 units would bring in approximately $1,600,000 in gross revenue, and over $800,000 in gross profits after commission, incentives and printing costs.

Advertising Rate Card for AdClick is shown below.

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CLAIMS

It is claimed:

1. A method of displaying advertisements on a person's paycheck stub, comprising:

   obtaining personal data related to the person;

   accessing a pool of one or more advertisements, wherein each advertisement has associated therewith one or more target criteria that are used to select the advertisement for display to the person;

   computing the personal data with the target criteria of the advertisements in the pool;

   selecting an advertisement for display to the user based upon the comparison of the personal data and the target criteria;

   printing the selected advertisement on the person's paycheck stub.

2. The method of claim 1, wherein the personal data comprises the person's name, address, and telephone number.

3. The method of claim 2, wherein the personal data further comprises the person's income.

4. The method of claim 1, wherein the advertisement is printed on a portion of the person's paycheck stub.

5. A process for displaying one or more advertisement on a check stub, comprising:

   determining the total amount of free space on the check stub available for display of an advertisement;

   dividing the total amount of free space into one or more discrete advertisement panels;

   selecting an advertisement for display in at least one of the advertisement panels;

   identifying an advertisement paid for display of the advertisement;

   printing the selected advertisement within the identified advertisement panel.

6. The process of claim 5, additionally comprising selecting the size of each of the advertisement panels.

7. The process of claim 5, wherein each advertisement panel is of equal size.

8. The process of claim 5, wherein the advertisement panels are different sizes.

9. The process of claim 5, wherein at least one of the advertisement panels is rectangular in shape.

10. The process of claim 5, wherein at least one of the advertisement panels is irregular in shape.